

CHAPTER 16

ISSUE OF ITEMS FOR TEST, DISPLAY, ENGINEERING EVALUATION,
OR ITEM MANAGER VISUAL EXAMINATION

SECTION I - GENERAL

216101 - PURPOSE

To provide guidance for the requisitioning, issue, control, and accounting of end item samples required for various purposes.

216102 - SCOPE

The provisions of this chapter are applicable to all organizational elements of the DSC, its tenant agencies, and as applicable, to distribution depots.

216103 - POLICY

a. It is DLA policy that specific controls be exercised over the issue of end items for display, examination, or testing purposes. There are three broad categories covering such issues, each with distinct control/accounting procedures:

(1) Items required on a temporary basis where return to stock is normally expected. Under these circumstances, the item will remain under stock fund accountability. See section II.

(2) Items required on a permanent basis (i.e., permanent displays) where return to stock is normally not expected. Under these circumstances, the item is to be processed for issue on a reimbursable basis utilizing O&M funds. See section III.

(3) Items drawn for sampling/testing purposes where the item may or may not be returned to stock. Under these conditions, specific controls and procedures are required to account for the item during its temporary withdrawal from stock and for its final disposition in the event it is not returned to stock. See section IV.

b. DSCs should exercise strict review and authorization practices to assure that the issue of the item is actually necessary and required for the stated purpose. Control and followup is necessary to assure return of the item when applicable. By such measures, the reliability of data reflected on the stock record account and related financial records and reports will be assured.

c. In evaluating requests for items and the purpose or use intended, care should be exercised in order to apply the proper control and

accounting procedures. Items required on a loan basis for use by Service activities or others as approved by DLA are to be handled IAW the policy and procedure expressed in chapter 6.

SECTION II - ITEMS REQUIRED FOR TEMPORARY USE

216201 - SCOPE

a. The provisions of this section cover items required on a temporary basis only, with return to stock within a specified time period. Items may be required on a temporary basis for the following reasons:

(1) Items issued to DLA activities for display.

(2) Items issued to DLA activities for engineering evaluation, item standardization, and cataloging purposes.

(3) Items required by DSCs DSO personnel for determining the disposition of items (new or phase-out) in long supply; inspection for possible use by other Services; briefing purposes when item becomes critical or controversial.

(4) Items required by DSCs DTO personnel for cataloging, standardization, quality control, value engineering, specifications, or other purposes.

(5) Other valid reasons.

b. Items required for temporary display within a DSC may be accounted for, at the option of the DSC, by establishment of the display site as an inventory location. When this option is selected, the temporary display site will be identified in SCF with the same RIC as the owning DSC. See paragraph 216206.

216202 - POLICY

Items falling within the scope of this section are subject to the accounting controls specified below to assure return to stock. Return is normally to be accomplished within a 120-day period.

216203 - GENERAL

DSC organizational elements requiring samples on a temporary basis will submit request to DSO, utilizing a local DSC form. This form should provide all required information including: NSN, UI, quantity, priority, RDD, unit price, and total dollar value, complete shipping address. Other pertinent data should be included, if necessary, such as lot number, name of contractor, contract/purchase order number, and location (distribution depot). Requests received from DLA activities outside the DSC will be forwarded to the DSO.

216204 - RESPONSIBILITIES

The Inventory Accounting Branch, Stock Control Division, DSO, is responsible for receiving requests for temporary loans, assuring that the required issue, receipt, and adjustment transactions have been processed and for exercising control and followup to assure return of item to stock.

216205 - PROCEDURE

a. Maintenance of Records.

The processing of loan transactions for items falling within the scope of this section requires special procedures. The issue is made from stock without a drop from accountability, necessitating concurrent issue and adjustment actions to reflect the item as on loan. Similarly, the physical return of item necessitates concurrent receipt and adjustment actions to reflect receipt and to adjust the loan record. DSCs will maintain jacket files for each loan to support the accountable record (Purpose Code L) and these files will be the basis for control and followup to assure return.

b. Processing Issue Transactions.

(1) Process issue transaction utilizing a requisition, DIC A0E, appendix B-4. In addition to the normal entries, the following entries are mandatory:

- (a) Signal Code M - pos. 51.
- (b) Project Code 2G6 - pos. 57-59.
- (c) Purpose Code A - pos. 70.
- (d) Applicable Condition Code - pos. 71.
- (e) Management Code - pos. 72.

(2) The issue transaction will be processed against Purpose Code A (General Issue) using DIC D7N for the quantity issued.

(3) Concurrent with the above, a Materiel Adjustment transaction will be processed (appendix B-22) utilizing DIC D8D to debit Purpose Code L with the quantity dropped from Purpose Code A.

c. Processing Receipt Transactions.

(1) Three weeks prior to the return, establish due-in for the item/quantity issued at the location designated for the return using DIC DFN IAW appendix E-042 P. Furnish PMRD, DIC DWN, appendix B-19, to the distribution depot scheduled to receive the materiel. Purpose Code A will be indicated for receipt.

(2) Distribution depots will prepare and forward a MRC (appendix B-21) IAW chapter 3, utilizing DIC D6N and Purpose Code A. If necessary, an SF 364 or SF 361, prepared IAW appendices E-260 P and E-256 P respectively, should be prepared and forwarded to the DSC to report discrepancies noted at time of receipt and to support billing/adjustment actions. The above includes materiel classified as Condition H and reported to the DSC under DIC D6N with Management Code M.

(3) DSCs will process the MRCs IAW chapter 40 and concurrently process a Materiel Adjustment transaction DIC D9D, dropping the quantity returned from Purpose Code L (suspended on Loan). The Condition Code entered on this adjustment document will be the condition of the materiel originally loaned.

(4) Controls will be exercised, utilizing the jacket file records, to assure timely followup and return of the item. If the item will not be or has not been returned at the end of the loan period, the borrower will be billed and collection effected IAW appendix E-158 P.

(5) DSC processing of SF 364 or SF 361 received from distribution depots will be IAW appendix E-260 P or E-256 P, as applicable.

216206 - DISPLAY SITE AS AN INVENTORY LOCATION

When the DSC elects to utilize the display site as an inventory location, the samples required for temporary display will remain in stock fund inventory and be considered available for issue against requisitions of the appropriate priority. DSC Commanders should establish the necessary controls to assure that the inventory is available for issue on a reasonable basis and that the inventory is returned to normal stock locations at such time as it is no longer required at the display location.

SECTION III - ITEMS REQUIRED FOR PERMANENT DISPLAY OR USE

216301 - SCOPE

The provisions of this section cover items required for permanent display or items required to be retained over an extended period of time for frequent, repetitive use and which are normally nonreturnable. This may be construed to include a sample or display inventory from which loans to DLA bidders and contractors may be made.

216302 - POLICY

Items included under the scope of this section will be requisitioned on a reimbursable basis (citing O&M funds IAW chapter 4).

216303 - RESPONSIBILITIES

Each DSC is responsible for:

- a. Establishing procedures and controls for the preparation and processing of requisitions (through the Directorate of Installation Services) for samples required for permanent display or use.
- b. Obligating O&M funds for the purchase of samples from the DSF.
- c. Maintenance of formal property accountability records for samples as required by existing procedures.

d. Establishing procedures and controls for the loan of samples. These procedures will include the requirement for a monetary deposit for the sample and controls to assure followup for the return of the sample and for proper accounting for the deposit.

216304 - PROCEDURE

a. Requests for samples falling within the scope of this section will be submitted to the Supply Branch, Operating Materiel Division, Directorate of Installation Services. DSC prescribed forms and property requisitioning procedures should be utilized. Requests should include the NSN, full description (nomenclature) and other pertinent data if required (i.e., manufacturer, lot number, contract number).

b. The Supply Branch, Operating Materiel Division, Directorate of Installation Services will requisition the requested item utilizing DD Form 1348, applicable Fund Code and MILSTRIP coding and procedures to obtain the requested item from the applicable distribution depot. Upon receipt, the item will be forwarded to the requesting DSC element.

c. The Supply Branch, Operating Materiel Division, Directorate of Installation Services will receive and process returns of excess samples to the DSF IAW current returns procedures.

d. If a DSC is involved in the loan of samples to prospective DLA bidders or contractors, the requesting organizational element (i.e., DP&P) will establish requirements for the receipt of monetary deposit.

e. The Office of Comptroller will deposit funds received into Special Deposit Account for samples borrowed; return deposits to contractors upon return of samples in good condition; if contractor forfeits his deposit by failure to return the sample, charge Special Deposit Account and record collection as an operational reimbursement under current fiscal year O&M funds.

SECTION IV - ITEMS REQUIRED FOR TESTING/DESTRUCTIVE SAMPLING/EVALUATION PURPOSES

216401 - SCOPE

a. This section covers procedures for the processing of samples pulled during receipt and stock readiness (surveillance) inspection for testing.

b. The processing of samples requested by DSCs for testing purposes.

c. Under these conditions, the sample may or may not be returned to stock; as a result of testing, it may be consumed or otherwise rendered unfit for issue.

216402 - POLICY

a. Items drawn for testing/destructive sampling/evaluation will be on a nonreimbursable basis; in the event they are consumed, they will be processed through the DSF as an operating loss.

b. DLA policy for management of inventories of supplies provides that materiel in the custody of supply and storage activities should be subject to periodic and systematic quality evaluation in order to assure its readiness and reliability. When quality deficiencies are uncovered, action should be promptly taken to identify nonserviceable materiel from serviceable stocks and to correct the causes of such deficiencies.

216403 - GENERAL

a. The visual examination results of inspections performed at distribution depots will be reported to the DSC IAW the provisions of chapters 5 and 70 of volume III, this manual, covering stock condition. DSC processing procedures are covered by chapters 3 and 5, volumes I and II, this manual. These procedures, as applicable, encompass the use of the Materiel Adjustment Document (appendix B-22) and the DD Form 1225 IAW appendices E-022 P and E-255 P.

b. In addition, when testing is required, DD Form 1222, Request For Results of Testing (appendix C-84, volume III, this manual) will be initiated by the depot.

c. Use of the proper documentation together with complete coordination efforts between the distribution depot and the DSC will assure adequate control and accounting.

216404 - RESPONSIBILITIES

a. The Inventory Accounting Branch, Stock Control Division, DSO, is responsible for receiving requests for samples from requesting elements, internal or external to the DSC, and preparation of the required documentation to effect shipment and adjustment to accountable records.

b. DSC organizational elements are responsible for submitting requests for samples for testing to the Inventory Accounting Branch, Stock Control Division, DSO.

c. Distribution depots are responsible for timely compliance with requests for samples and for preparation and processing of the required documentation to assure control and adjustment to item records both at the depot and the DSC.

d. The DTO is responsible for coordinating actions with the laboratory, performing the required technical analysis, and assuring that documentation reflecting test results and disposition instructions are furnished on a timely basis to the DSO for dissemination to distribution depots.

216405 - PROCEDURE

a. DSC Originated Actions.

(1) DSC organizational elements will submit requests for samples for test to the Inventory Accounting Branch, Stock Control Division, DSO utilizing a local DSC form. This form should provide all required information, including: NSN, UI, quantity, priority, RDD, unit price and total dollar value, complete shipping address, and an indication as to whether the sample will be consumed in test or not. Other pertinent data should be indicated if necessary, such as, Lot Number, Name of Contractor, Contract/Purchase Order Number, and the Location (distribution depot).

(2) The Inventory Accounting Branch, Stock Control Division, DSO, will receive all requests for samples for test and initiate a requisition, DIC A0E, or an Issue Transaction Card for Transshipment of Suspended Receipts, DIC ZLD, IAW appendix E-507 P provided that the request is for a full UI. When the request is for less than a full UI, e.g., one gallon out of a barrel, manually prepare an exception data MRO, DIC A5E. Zero fill the quantity field, provide a locally assigned SC0 number, enter priority 15 and the applicable condition code. The exception data must include the in-the-clear ship-to address, the quantity and advice that the remaining quantity is to be retained in stock for future issue or sent to the PDO by the depot under the same document number. Mail the MRO to the depot and retain a copy with the correspondence requesting the issue. If expedited processing is required the exception data MRO may be phoned or sent by message.

(3) Distribution depots will process the above DSC originated actions IAW normal procedures. No further documentation is required.

b. Distribution Depot Originated Actions.

(1) When, as a result of normal storage surveillance programs, classification actions, or serviceability standards, an item is determined to require laboratory testing or inspection, an entire lot is usually affected and must be suspended from issue IAW chapter 5. In addition, samples from vendors' shipments are frequently required to be submitted to a Government commercial laboratory for identification and evaluation testing, or opened to ascertain condition, identity, the need for warranty/recovery action or remaining shelf-life. The distribution depot will initiate the following documentation (as required):

- (a) SF 364, Report of Item Discrepancy.
- (b) DD Form 1222, Request for Results of Test.
- (c) DD Form 1225, Storage Quality Control Report.
- (d) DD Form 1348-1, Single Line Item Release/Receipt Document.

(2) The above forms are prepared and distributed IAW normal depot operating procedures in order to ship the sample and to maintain suspense control on lot quantities and item condition/serviceability pending results of the test and to adjust records accordingly.

(3) The laboratory will furnish test results (DD Form 1222) to the DTO. DTO will, in addition to any technical analysis required, furnish test results and disposition instructions to DSO for dissemination to distribution depots.